



**TOURISM AND ECONOMIC GROWTH:
COMPARING MALAYSIA AND THAILAND**

NOOR ADILA BINTI IDRUS

2014832184

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.**

DECEMBER 2016



**TOURISM AND ECONOMIC GROWTH:
COMPARING MALAYSIA AND THAILAND**

NOOR ADILA BINTI IDRUS

2014832184

**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
JOHOR**

DECEMBER 2016



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TEKNOLOGI MARA
SEGAMAT, JOHOR

DECLARATION OF ORIGINAL WORK

I, NOOR ADILA BINTI IDRUS

(I/C NUMBER: 931006-07-5720)

Hereby, declare that,

- ✓ This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- ✓ This project paper is the result of our independent work and investigation, except where otherwise stated.
- ✓ All verbatim extracts have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature:

Date:

ACKNOWLEDGEMENT

First and foremost, Alhamdulillah and all praise to Allah S.W.T for giving me the opportunity, strength and patience to fulfill this Academic Project requirement for the Bachelor of Business Administration (Honors) (Finance). His utmost blessings has providing me with the mental and physical faculties as well as other positive attributes notably perseverance to complete this challenging research paper within the allocated timeframe.

I would like to take this opportunity to convey my greatest gratitude to my Thesis Project's advisor, Encik Kharudin Bin Mohd Sali@Salleh for his massive inputs, guidelines and continuous support. I would also like to express my deepest appreciation towards my second advisor, Dr. Syamsul Bin Samsudin for his immense guidance from the very start of my research proposal culminating to the completion of this final research. In addition, my sincere thanks are also extended to my loving parents, friends, and office colleagues for their understanding, unwavering contribution and invaluable counsel in helping me to complete this assignment.

Last but not least, my deepest gratitude to everyone who have supported, helped and worked together directly or indirectly in assisting me completing this research on time, the cooperation given is well appreciated and will always be remembered. Thank you.

ABSTRACT

This paper aims at finding out whether tourism give significantly impact on economic growth in both Malaysia and Thailand. Dependent variable used in this study is gross domestic product in both Malaysia and Thailand. On the other hand, the independent variables used in this study are tourist arrival, real exchange rate, consumer price index, and total trade. As for the sample of this study, it comprises of 31 observations on a quarterly basis over eight years period from 2008 to 2015. The methodology used in this study is the Multiple Linear Regression with quarterly time series data has been used to see the relationship between tourism and economic growth. Sources of data for gross domestic product, real exchange rate, and consumer price index in both countries are collected from EIU country data. Data of tourist arrival in Malaysia are collected from Tourism Malaysia Statistic while total trade in Malaysia is collected from Malaysia external Trade Statistic. Data for tourist arrival and total trade in Thailand are collected from Bank of Thailand. A software package called E-views8 will be used in finding and analyzing the data. In order to observe the impact on economic growth in both Malaysia and Thailand\ an econometric test will be conducted during this research. However, there are few solutions adopted to solve the problems encountered during the research. The results turned out to be convincing and problems are being solved. The final results obtained from every tests in this paper matches with the findings.